Hence, the Bill. Since such proceedings are pending before Labour Courts/Tribunals, it is necessary that the Amendment is made applicable to pending cases, No expenditure is involved.

M. S. KRISHNAN,
Member, Legislative Assembly.

TE. HANUMANTHAPPA,
Secretary.

THE MYSORE LEATHER INDUSTRIES BILL, 1972

(L.A. Bill No. 15 of 1972)

A Bill to provide for organising, developing and regulating of Leather Industries in the State of Mysore and to constitute a Board to carry out the said object.

Whereas it is necessary to organise, develop and regulate Leather Industries in the State of Mysore and to constitute a Board to carry out the said object;

Be it enacted by the Mysore State Legislature in the 23rd year of the Republic of India as follows.—

CHAPTER I

1. **Short title, extent, commencement and repeal.**—(1) This Act may be called the Mysore Leather Industries Act, 1972.

(2) It extends to the whole of the State of Mysore.

(3) It shall come into force at once.

2. **Definitions.**—In this Act, unless there is anything repugnant in the subject or context:—

(i) "Board" means the Mysore State Leather Industries Board constituted under this Act.

(ii) (a) "Leather" means hides and skins of all animals in raw tanned, finished forms.

and

(b) this includes, footwears and leather goods in all forms and the accessories used therein.

(iii) "Presribed" means prescribed by rules under this Act.

(iv) "Regulations" means regulations made under this Act.

(v) "Industries" means the Leather Industries and any industry specified in the schedule to this Act.

CHAPTER II

Establishment and Constitution of the Board

3. **Incorporation of the Board** —(1) With effect from such date as the State Government may, by notification in the *Mysore Gazette* appoint in this behalf there shall be established for the purposes of this Act, a Board by the name of the Mysore State Leather Industries Board.

(2) The Board shall be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporate name and shall be competent to acquire and hold property both movable and immovable and to contract and do all things necessary for the purposes of this Act.

4. **Constitution of the Board**.—(1) The Board shall consist of such number of members not exceeding fifteen as the State Government may appoint. One of the members shall be appointed by the State Government as the Chairman.

(2) The Chairman, or any other member of the Board may at any time resign his office by submitting his resignation to the State Government:

Provided that the resignation shall not take effect until it is accepted.

(3) The Chairman, and other members shall receive such allowances as may be prescribed and the allowances shall be paid from the funds of the Board.

(4) The term of office of the Chairman and other members of the Board shall be three years from the date of publication of their names in the **Mysore Gazette** and shall include any further period which may elapse between the expiration of the said period of three years and the date of publication in the **Mysore Gazette** of the names of the members of the next succeeding Board.

(5) The chairman and other members shall be eligible for reappointment.

5. **Disqualification for appointment on the Board** —A person shall be disqualified for being appointed, or for continuing, as a member of the Board, if he—

(a) holds any office of profit under the Board; or

(b) if of unsound mind and stands so declared by a competent court, or

(c) is an undischarged insolvent or has applied for being adjudged an insolvent; or

(d) has been convicted of an offience, which involves, in the opinion of the State Government moral turpitude; or

(e) has directly or indirectly or himself, by his wife or son or by any partner, any share, or interest in any subsisting contract or employment with, by, or on behalf of, the Board; or

(f) is a Chief Executive Officer or Manager or other salaried officer of any incorporated company or any co-operative society which has any share or interest in any contract or employment with, by, or on behalf of the Board:

Provided that a person shall not be disqualified under clauses (e) and (f), or be deemed to have any share or interest in any contract or employment with, by, or on behalf of, the Board, by reason only of—

(i) his, or of the incorporated company or of a co-operative society of which he is a secretary, manager or other salaried officer, having a share or interest in any news paper in which any advertisement relating to any affairs of the Board is inserted, or

(ii) his being a share-holder of such a company or society,

if he has disclosed to the State Government the nature and extent of the share held by him from time to time.

6. Removal or suspension of a Member of the Board.—(1) The State Government may, after such inquiry as may be necessary, remove from office the Chairman or any other member, if he—

(a) refuses to act, or

(b) has become incapable of acting;

(c) has abused his position in the Board so as to render his continuance on the Board detrimental to its interest; or

(d) fails, without such reason as may in the opinion of the State Government be sufficient, to attend three consecutive meetings of the Board: or

(e) ceases to reside in the State of Mysore; or

(f) has since his appointment incurred any of the disqualification specified in section 5; or

(g) is otherwise unsuitable to continue on the Board.

(2) No order of removal under sub-section (1) shall be made, unless the member concerned has been given an opportunity to submit his explanation to the State Government;

Provided that a member may be suspended by the State Government pending an enquiry against him.

(3) A member who has been removed under clauses (c) or (f) of sub-section (1) shall not be eligible for appointment to the Board as member or in any other capacity.

7. **Vacancy of Members.**—If a member tenders his resignation in writing to the State Government, and if it is accepted by the State Government, he shall cease to be a member from the date of such acceptance.

8. **Proceedings presumed to be good and valid.**—No act or proceeding of the Board shall be invalidated merely by reason of any vacancy in its membership on account of resignation, death or removal.

9. **Appointment of members of staff of Board and conditions of their service.**—(1) The State Government shall in consultation with the Board appoint or obtain the services of a competent officer from any other services, a Chief Executive Officer who has requisite qualifications and experience in Leather Industries.

(2) The State Government shall from among its officers appoint the Accounts Officer to the Board.

(3) The remuneration, allowances and conditions of service of the Chief Executive Officers shall be such as the State Government specify, and their remuneration and allowances shall be paid from the funds of the Board.

(4) Subject to such rules as may be prescribed, the Board may appoint such members of the staff as it may consider necessary.

(5) The remuneration, allowances and other conditions of service of the members of the staff of the Board shall be such as may be prescribed.

10. **Appointments of Committee.**—Subject to any rules made under Section 31, the Board may from time to time appoint one or more Committees for the purpose of securing efficient discharge of its functions and in particular for the purpose of securing that the said functions are exercised with due regard to the circumstances and requirements of any particular village industry. Such Committees may be appointed for any particular area.

11. **Meeting of the Board.**—The Board shall meet and shall from time to time make arrangements with respect to the date time, notice management and adjournment of its meetings as it thinks fit. Such meeting shall be held at least once in every two months.

12. **Power to make Contracts.**—(1) The Board may enter into and perform all such contracts as it may consider necessary or expedient for carrying out any of the purposes of this Act and every contract shall be made on behalf of the Board by the Chairman:

Provided that—

(a) no contract involving an expenditure of rupees one lakh and more shall be made without the previous sanction of the State Government.

(b) (i) no contract involving an expenditure of rupees ten thousand and more shall, subject to clause (a), be made without the previous sanction of the Board,

(ii) no estimate or tender involving an expenditure of rupees ten thousand and more shall, subject to clause (a), be sanctioned or accepted without the previous sanction of the Board.

(2) Every contract made by the Chairman on behalf of the Board shall, subject to the provisions of this section, be entered into in such manner and form as may be prescribed.

(3) A contract not executed in the manner provided in this section and the rules made thereunder shall not be binding on the Board.

CHAPTER III

FUNCTIONS AND THE POWERS OF THE BOARD

13. **Functions of the Board.**—(1) It shall be the duty of the Board to organise, develop and regulate village industries and perform such functions as the State Government may prescribe from time to time.

(2) Without prejudice to the generality of the provisions of sub-section (1) the Board shall, subject to such regulations as may be made by it, discharge and perform all or any of the following duties and functions, namely:—

(a) to start, encourage, assist and carry on trade or business in such industries and in matters incidental to such trade or business;

(b) to render such assistance as may be necessary to any person engaged in any village indastry;

(c) to conduct training centres;

(d) (i) to arrange for the manufacture of tools, implements and other equipment required for carrying on village industries;

(ii) to arrange for the supply of raw materials, tools, implements and other equipment required for village industries; and

(iii) to arrange for the sale of the products of the said industries ;

(e) to arrange for publicity and for popularising of finished products of the said industries by opening stores, shops, emporia or exhibition;

(f) to undertake and encourage research work in connection with village industries and to carry on such activities as are incidental and conductive to the objects of this Act ;

(g) to maintain or assist in the maintenance of institutions for the developments of village industries;

(h) to discharge such other duties and to perform such other functions as the State Government may direct for the purpose of carrying out the objects of this Act.

14. **General Powers of the Board.**—The Board shall for the purposes of carrying out its functions under this Act have the following powers:—

(i) to acquire add hold such movable and immovable property as it deems necessary and to lease, sell or otherwise transfer any such property.

Provided that in the case of immovable property, the aforesaid powers shall be exercised with previous sanction of State Government ;

(ii) to incur expenditure and undertake works in any area in the State for the framing and execution of such scheme as it may consider necessary for the purpose of carrying out the provisions of this Act or as may be entrusted to it by the State Government and the Myosore State Leather Industries Board, subject to the provisions of this Act and the rules made thereunder :

(iii) to sanction loans, grants and subventions, subject to such rules as may be prescribed.

CHAPTER IV

PREPARATION AND SUBMISSION OF PROGRAMMES

15. **Preparation and submission of Annual Programme.**—(1) In each year, the Board shall prepare and forward to the State Government a programme of work in such form and before such date as the State Government may determine.

(2) The programme shall contain—

(a) such particulars of the scheme which the Board proposes to execute whether in part or in whole during the next year;

(b) particulars of any work or undretaking which the Board proposes to organise during the next year for the purposes of carrying out its function under this Act; and

(c) such other particulars as may be prescribed.

16. **Sanction of Programme.**—The State Government may approve and sanction the programme in whole or with such modification as it deems fit.

17. **Supplementary Programme** —The Board may prepare and forward a supplementary programme for the sanction of the State Government in such form and before such date as the State Government may prescibe and the provisions of section 15 shall apply to such supplementary programme.

CHAPTER V

FINANCE, ACCOUNTS, AUDIT AND DEBITS

18. **Transfer of Property.**—The State Government may transfer to the Board, buildings, land or any other property whether movable or immovable, for use and management by the Board on such conditions as the State Government may deem fit, for the purposes of this Act.

19. **Expenditure and Contract made before the Establishment of the Board.**—All debts and expenditure incurred, all contracts entered into and all matters and things engaged to be done by, with or for the State Government, in connection with or for the purposes of this Act before and up to the date of the establishment of the Board shall be deemed to have been respectively incurred, entered into or engaged to be done by, with for the Board, and all suits, and other legal proceedings instituted by or against the State Government in respect thereof shall be deemed to be instituted and continued as such by or against the Board, as the case may be.

20. **Subventions and Loans to the Board**—(1) The Government may, from time to time, make subventions and grants to the Board for the purposes of this Act on such terms and conditions as the State Government may determine in each case.

(2) The Board may, from time to time, with the previous sanction of the State Government and subject to the provisions of this Act and such conditions as the State Government may determine, borrow any sum required for the purposes of this Act.

620

21. **Funds of the Board.**—(1) The Board shall have its own fund and all receipts of the Board shall be credited thereto and all payments by the Board shall be met therefrom.

(2) The Board may accept grants, subventions, donations and gifts from State and Central Governments or a local authority or any body or association, whether incorporated or not, or an individual for all or any of the purposes of this Act.

(3) The Board may receive loans from State and Central Governments or a local authority or a co-operative bank registered under any law governing co-operative societies in the State.

(4) All money belonging to the fund of the Board shall be deposited in such manner as the State Government may, by special or general order, direct.

(5) The accounts of the Board shall be operated upon by such officers jointly or individually as may be authorised by the Board.

22. **Application of Fund and Property.**—All property, fund and other assets of the Board shall be held and applied by it subject to the provisions and for the purposes of this Act.

23. **Budget.**—The Board shall, on such date as may be fixed by the State Government, prepare and submit to the State Government the budget for the next financial year showing estimated receipts and expenditures on capital and revenue accounts according to the programme.

24. **Sanction of Budget.**—The State Government may sanction the budget submitted to it with such modifications as it deems proper.

25. **Supplementary Budget.**—The Board may submit a supplementary budget for the sanction of the State Government in such from and before such date as the State Government may prescribe and the provisions of section 23 shall apply to such supplementary budget.

26. **Annul Report.**—The Board shall prepare and forward to the State Government in such manner as may be prescribed, an annual report, within three months from the end of the financial year giving a complete account of its activities during the previous financial year. Every such report shall be laid before each House of the State Legislature as soon as may be after it is received by the State Government.

27. **Further Report, Statistics and Returns.**—The Board shall, before such date and at such intervals and in such manner as the State Government may from time to time direct, submit to the State Government a report on such matters and such returns as the State Government may direct.

28. **Accounts and Audit.**—The accounts of the Board shall be maintained and an annual statement of accounts shall be prepared in such manner as may be prescribed. Such accounts shall be audited by an Auditor appointed by the State Government

CHAPTER VI

MISCELLANEOUS

29. **Members of the Board and Members of Staff of the Board to be Public servants.**—Members of the Board and members of the staff of the Board shall be deemed when acting or purporting to act in pursuance of any of the provisions of this Act to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (Central Act XLV of 1860).

30. **Protection of Action taken under this Act.**—No suit, prosecution or other legal proceeding shall lie against any person for any thing which is in good faith done or purported to be done under this Act.

31. **Rules.**—(1) the State Government may, by notification in the Mysore Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers such rules may provide for all or any of the following matters, namely :—

(a) the allowances of members of the Board under Section 4;

(b) the manner and form in which contracts shall be entered into under section 12 ;

(c) the function of the Board under section 13 ;

(d) the other particulars of the programme under section 15;

(e) the form in which and the date before which the supplementary programme shall be submitted under section 17;

(f) the form in which and the date before which the supplementary budget shall be submitted under section 25;

(g) the manner in which the annual report shall be prepared and forwarded to the State Govenment under section 26;

(h) the manner of maintenance of accounts and prepartion of annual statement of accounts under section 28;

(i) remuneration, allowances and other conditions of service of members of the staff of the Board and the function of the Secretary and Accounts Officer of the Board;

(j) any other matter which is or may be prescribed under this Act.

31. **Regulations.**—(1) The Board may, with the previous sanction of the State Government, make regulations by notification in the **Mysore Gazette**, consistent with this Act and the rules made thereunder.

(2) In particular and without prejudice to the generality of the foregoing power the Board may make regulations providing for :—

(a) the procedure and disposal of its business ;

(b) functions and duties of the members of staff of the Board;

(c) functions of the committees and the procedure to be followed by such committees in the discharge of their functions ;

(d) conditions subject to which the Board may discharge of perform duties under sub-section (2) of section 13.

33. **Amendment of Schedule.**—(1) The State Government may, by notification in the **Mysore Gazette**, modify the Schedule to this Act by addition thereto or omission therefrom of any industry.

(2) Every notification under sub-section (1) shall be laid as soon as may be after it is issued before each House of the State Legislature while it is in session, for a total period of one month which may be comprised in one session or in two or more sessions and if before the expiry of that period, either Houser of the State Legislature makes any modification in the notification or directs that the notification shall not have effect and if the modification or direction is agreed to by the other House, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be.

34. **Saving.**—Nothing in this Act shall be deemed to apply to any industry declared to be scheduled industry under the Industries (Development and Regulation) Act, 1951 (Central Act LXV of 1951) or to affect any of the provisions of the said Act.

SCHEDULE

[See Section 2 (v).]

"Industries"

1. Tanning and Finishing of leathers.
2. Footwear
3. Leather Goods.
4. Sport Goods.
5. Leather Garments.
6. Industrial leather goods.
7. Leather and Leather goods auxilleries.
8. Leather chemical and finishes.
9. Leather and leather goods, fittings, grinderies and accessories.

Statement of Objects and Reasons

Leather Industry stands 5th rank in the export of commodities from this contry. Today we export Leather and Leather based goods to the tune of Rs. 100 crores, out of this Mysore State's share is goods worth of about Rs. 1 crore. Prior to independence Mysore State was the pioneering State in the export market of this country as far as leather and leather goods are concerned. It was about 1/5th of the countries total export of these items.

At present there are about 4,000 organised and unorganised Footwear and Allied Units and about 1,000 organised and unorganised tanning units scattered all over the State including about 200 co-operative units.

Annual production of Leather and Leather goods of the State is goods worth of Rs. 10 crores per annum. About 10,000 people are engaged in these units. Out of these more than 90 per cent belonging to the traditional working class.

The industry which has got such a high potential has not been exploited fully on account of the reasons best known. They are :—

(1) Lack of interest in the development of this industry by both Government and the men engaged in it.

(2) Non-existence of effective and expertised agencies to look after this backward industry which enjoys very poor image in the society.

(3) Lack of facilities for training financing, marketing.

(4) Lack of agencies for drawing and implementing developmental programmes.

(5) Other infrastructure such as functional industrial estate. raw-material bank and supply of tools, machinery etc, lacking very much.

(6) Absence of Socio-Economic programmes particularly for the people confined to this trade, as this industry is suffering from a social stigma on account of which it has failed to attract intelligentia from the educated masses.

State Leather Board

In view of the peculiar problems faced by this industry a specific and specialised agency to look after the promotion and development of this industry is essential as the existing institution are quite inadequate and unfamiliar with the peculiar problems of this backward trade. It is more so because from the experience it has been found that all the Institution Private and Public are very shy for coming near to this trade. This necessitates the formation of a special expertised agency on the State Level for making all out efforts to exploit unutilised wealth.

Thus the constitution of Leather Board will imbalance the disadvantages suffered by the particular section of the Society thereby providing an opportunity for this section to be on par with others justifying the fundamental rights under the constitution of India.

Its main feature will be similar to that of Handloom Board to be constituted by the State Government to advise the Government in formulating several developmental schemes to provide many sided assistance to the industry.

The general principles of this Corporation would be :

(1) Loan towards share capital.

(2) Working capital loans.

(3) Marketing facilities.

(4) Providing improved tools and machineries.

(5) Raw material Bank facility.

(6) Functional Industrial Estates with Training and Servicing facilities.

(7) To provide housing colonies for the workers.

There is vast scop for the development of Leather and leather based industries in Mysore State though modernisation and mechanisation process and to make the best use of 80 per cent of the raw-hides and skins which are at present going to other States. The said Corporation has to endure to exploit all the existing resources of the State in this trade and make effort to revitalise the industry in order to get its due share in the export trade.

J. L. KABADE M.L.A.
TE. HANUMANTHAPPA,
Secretary.

WD 1825 9—GPB—550—7-5-73